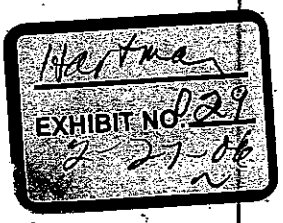
Exhibit 44

UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS



No. 01CV12257-PBS

IN RE: PHARMACEUTICAL INDUSTRY AVERAGE WHOLESALE PRICE LITIGATION	*

DEPOSITION OF THOMAS E. GREENEBAUM, taken pursuant to the Federal Rules of Civil Procedure, at CIGNA Headquarters, 900 Cottage Grove Road, South Building, Bloomfield, CT, before Diana M. Noel, a Registered Professional Reporter, Certified Realtime Reporter, and Licensed Shorthand Reporter No. 199, in and for the State of Connecticut, on Friday, January 14, 2005, commencing at 9:40 AM.

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MARKED QUESTION: 75:8

THOMAS E. GREENEBAUM
having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION
BY MS. SCHOEN:

Q. Hello, Mr. Greenebaum.

A. Hello.

Q. My name is Estella Schoen. I'm from the law firm of Patterson, Belknap, Webb & Tyler, and I'm here today representing the Defendants in this matter.

First let me ask you, have you ever been deposed before?

A. No.

Q. Then I'd like to go over a few ground rules which you may have already gone over with your counsel. If I ask a question and that question is unclear in any way or you don't understand it, please let me know, and I'll try to rephrase it or explain it better.

A. Uh-hum.

Q. When I ask you a question, it's important that you answer verbally, not with a nod of the head or

shake of the head, because that just makes it difficult for the court reporter to take down an answer.

A. Okay.

Q. And if you'd like to take a break at any time, please just let me know and we can take a break.

Do you understand that today you're here speaking on behalf of Cigna?

A. Yes.

Q. And did you do anything today to prepare for this deposition?

A. Yes.

Q. Just very generally, could you tell me what you did?

A. We – I reviewed the issues that are outstanding to familiarize myself with what I may be asked in terms of questions.

Q. Besides any conversations you may have had with your counsel, did you speak with anyone else in the company in preparation for your deposition here today?

A. Yes.

Q. Can you tell me who that was?

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A. There were individuals just to give verification on time lines.
Q. Can you tell me the position of those individuals in the company?
A. I guess the -- it would be the Contracting Group within Cigna Pharmacy along with our Clinical Group.
Q. What is your title?
A. I'm the Chief Operating Officer of Cigna Pharmacy.
Q. I'd like to just step back for a moment and get a little information about your background?
A. Sure.
Q. Can you tell me about your educational background after high school.
A. Yes. I have a B.S. in construction administration, and an M.B.A. in finance.
Q. And can you tell me when did you start your employment at Cigna?
A. Three years ago.
Q. Can you tell me in broad terms, prior to coming to Cigna three years ago, about your employment

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background?
A. Employment background, I worked as a General Manager of the Book of the Month Club, and prior to that I was the Chief Operating Officer of Marvel Entertainment, and prior to that I worked for an entertainment products company in Wisconsin as -- in varying levels.
Q. So would it be correct to say that prior to coming to Cigna three years ago, you had not previously worked in the health insurance industry?
A. That is true.
Q. What about the healthcare industry generally?
A. I have not prior to this position.
Q. And when you came to Cigna three years ago, did you come in as CEO of Cigna Pharmacy?
A. I came in as -- first of all, it's COO, not CEO.
Q. COO?
A. Chief Operating Officer, and I was the Chief Operating Officer of Tel-Drug Pharmacy -- T E L-D R U G -- and was promoted six months ago into my current position which is Chief Operating Officer of

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all of Cigna Pharmacy.
Q. Just to clarify, you were the COO of Tel-Drug Pharmacy when you started in 19 -- well, 2001?
A. No. 2002, January.
Q. And then six months ago, you became the COO of Cigna Pharmacy?
A. Right.
Q. Can you tell me what Tel-Drug Pharmacy is?
A. Tel-Drug Pharmacy is a mail order pharmacy that supports the Cigna Pharmacy benefit provided by Cigna Healthcare.
Q. How long has Tel-Drug been functioning in that capacity for Cigna?
A. Since 1993.
Q. And since 1993, has tell drug been the only mail order pharmacy provider for Cigna?
A. Yes. Since '93.
Q. Since '93?
A. Yes.
Q. Do you know, between 1991 and 1993, how Cigna -- if Cigna had a mail order pharmacy provider?
A. No.

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Q. They did not?
A. They just had a retail network only.
Q. And can you tell me, in your position as COO of Tel-Drug, what your responsibilities were?
A. I was in charge of the entire operation from marketing to scrip acquisitions to dispensing of medications to patients through the mail.
Q. And can you tell me has Tel-Drug been a part of Cigna since 1993?
A. Yes.
Q. Do you know if Tel-Drug is a subsidiary of Cigna?
MR. ST. PHILLIP: Objection. Calls for a legal conclusion.
MS. SCHOEN: You can still answer the question.
A. Yes, it is a legal entity. Is that what you're asking?
Q. If it's a subsidiary of Cigna?
A. Yes.
Q. And can you tell me what your responsibilities are currently as COO of Cigna

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Pharmacy?
A. It includes oversight of the mail order pharmacy, Tel-Drug, along with all of the operational components of Cigna Pharmacy management, which includes network operations for retail, account implementation, and migration along with product design.
Q. By product design, you mean the particular pharmaceutical benefit plan you would offer to members?
A. To clients, yes.
Q. To clients -- employers?
A. Employers.
Q. And can you tell me what -- is Cigna Pharmacy the correct terminology of what you're COO of, or is there some other name?
A. Cigna Pharmacy.
Q. And does Cigna Pharmacy manage the pharmaceutical benefits for all of Cigna?
A. Yes.
Q. Does that vary at all? Are there any Cigna plans, health plans, that are offered that are not served by Cigna Pharmacy?
A. No.

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Q. Does Cigna Pharmacy or any other part of Cigna own their own pharmacies?
A. Can you repeat the question?
Q. Sure.
Does Cigna Pharmacy or any other part of Cigna own pharmacies?
A. Yes.
Q. Does Cigna also contract with pharmacies that it does not own?
A. Yes.
Q. And can you tell me approximately how many pharmacies Cigna owns?
A. We own two mail order pharmacies. In addition, we have staff model pharmacies in Arizona, and I do not know how many. It's ten approximately.
Q. So it's -- one of the mail order pharmacy that Cigna owns is Tel-Drug?
A. Both. One is Tel-Drug of Pennsylvania, LLC; and one is Tel-Drug, Inc. in Sioux Falls, South Dakota. Each are legal entities.
Q. When you stay staff model pharmacies in Arizona, do you mean that those are the only pharmacies

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that Cigna owns, the approximately ten in Arizona?
A. Yes.
Q. Is there a reason that Cigna owns pharmacies in Arizona and not in other parts of the country?
MR. ST. PHILLIP: Objection.
A. It's -- this is a unique environment where Cigna owns its own medical services business which provides hospital along with pharmacy, and those pharmacies are within those medical operations.
Q. So in Arizona, Cigna owns some hospitals?
A. They own medical groups, and again, I'm not one to really be talking to this piece of it. You would have to talk to the other person.
Q. Is the reason for Cigna's ownership of this particular medical group in the staff model, how you've described it, is because it acquired some other entity that previously owned those entities?
A. Yes.
Q. Do you know what entity it acquired?
A. No, I do not.
Q. Are you responsible in your current position for relationships with the staff model pharmacies in

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Arizona?
A. Yes.
Q. What is Cigna's service area?
A. Nationwide.
Excuse me, I need clarification on that. Is that pharmacy that you're asking?
Q. I'm asking about Cigna's health insurance network.
A. Health insurance network is worldwide.
Q. And is there a distinction between the health insurance network and the pharmacy network?
A. Yes.
Q. Can you explain that distinction?
A. The pharmacy network is within the United States, Puerto Rico, and the Virgin Islands. It does not go into any other countries besides for that.
Q. Are you responsible for overseeing the relationship that Cigna has with the pharmacies it contracts with?
A. Yes.
Q. Are you involved in the contracting process with those pharmacies?

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A. Yes.
Q. And can you describe your involvement, please?
A. I oversee the contractual arrangements and do the final review before authorizing releasing the contract.
Q. Does Cigna have a specialty pharmacy provider?
A. Yes, we do.
Q. Can you tell me the name of that entity?
A. It's Cigna Specialty Pharmacy.
Q. And can you tell me how long that entity has been providing Cigna with specialty pharmacy services?
A. It has been in operation since May of 2002.
Q. Prior to may of 2002, did Cigna have a specialty pharmacy provider?
A. No.
Q. In your responsibilities of COO of Cigna Pharmacy, are you responsible for overseeing Cigna Specialty Pharmacy?
A. Yes.
Q. And can you tell me what services Cigna

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Specialty Pharmacy provides?
A. It's direct to consumer mail order service for injectable or self-administered high dollar medications to patients.
Q. Does Cigna Specialty Pharmacy have the ability to provide pharmaceuticals directly to a physician's office --
A. Yes.
Q. -- for administration to the patient?
A. Yes, but it would be patient specific. We do not provide medications to a doctor for the doctor to resell. We provide direct to patient.
Q. If a doctor -- strike that.
Are any of the doctors that Cigna contracts with required to use Cigna Specialty Pharmacy provider to obtain drugs for their patients?
MR. ST. PHILLIP: Objection to form. It calls for a legal conclusion.
THE WITNESS: Can you repeat the question, please.
MS. SCHOEN: Can you read back the question.

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(The reporter read back.)
A. They are not required.
Q. Is the option of using Cigna Specialty Pharmacy provided to all of Cigna's physicians?
A. Yes.
Q. Do you know how Cigna Specialty Pharmacy obtains the pharmaceuticals that it provides to either patients or physicians directly for a particular patient?
A. We purchase direct through the manufacturer or through our wholesaler, and then distribute those drugs through our Tel-Drug entities to the patients.
Q. Do you have contracts directly with pharmaceutical manufacturers?
A. Yes.
Q. And do those contracts provide Cigna with either a discount or a rebate on pharmaceuticals that Cigna purchases or uses?
A. Yes.
MR. ST. PHILLIP: Objection to form. It calls for a legal conclusion.
Q. Does Cigna do any analysis of the -- strike

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that.
Do you have an understanding of the price that Cigna Specialty Pharmacy pays for the pharmaceuticals that it purchases?
A. Yes.
Q. Is that price expressed in reference to any particular benchmark in the industry?
A. No.
Q. Are those prices individually negotiated between you and the manufacturer?
MR. ST. PHILLIP: Objection to form.
A. Yes. I'm sorry.
Q. And to your knowledge, they don't relate to any benchmark in the industry?
MR. ST. PHILLIP: Objection. Asked and answered.
A. No.
Q. For example, to -- strike that.
Are you familiar with the term wholesalers acquisition cost or WAC?
A. Yes.
Q. Did their prices you purchase pharmaceuticals

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through Cigna Specialty Pharmacy bear any relationship to the WAC price?
A. They don't bear any relationship. They are negotiated prices.
Q. So each individual pharmaceutical product would be negotiated separately with each manufacturer?
MR. ST. PHILLIP: Objection.
A. No, not all. Not all drugs are negotiated specifically with the manufacturer.
Q. If the drug is not negotiated specifically, how is it negotiated?
A. We would purchase it from our wholesaler under our wholesaler contracts, and the wholesaler -- we have an arrangement, which is WAC minus or WAC plus, depending on our negotiating agreement with our wholesaler.
Q. Do you have an understanding of the range of minus or plus WAC that Cigna may obtain these products from the wholesaler?
MR. ST. PHILLIP: Limited to the specialty pharmacy?
MS. SCHOEN: Exactly.

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Q. Limited to the specialty pharmacy?
A. Yes.
Q. And can you tell me that range?
A. No. It's confidential. It's a contracted agreement with us and the wholesaler.
Q. I'm asking for the range generally, not any specific --
A. It's plus or minus WAC.
Q. Do you have an understanding that what we're talking about today is -- well, I assume would be designated by Mr. St. Philip as highly confidential pursuant to the protective order in regard to this matter?
MR. ST. PHILLIP: To the extent -- I mean, I'll talk to the witness about what the law is, but if you'll give me a moment to confer with the witness, we may be able to hash out what we can and cannot respond to.
(Witness and counsel confer).
Q. Based on your conversation with your counsel, do you have any --
MR. ST. PHILLIP: Just as a preface, our

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position on the current levels of reimbursement are confidential trade secret information, and historical information over the course of the class period here is not currently in effect. I'll allow the witness to answer.
A. So historically it would be a range of WAC plus 5 to WAC minus 10.
Q. And just for clarity, this range would be the range of prices that you would receive from wholesalers that you would purchase from?
A. Yes. This would be for products purchased that would be distributed through our mail order pharmacies.
Q. Has Cigna historically purchased its pharmaceutical products from one particular wholesaler or many different wholesalers?
A. One primary, and then several other secondary along with direct from manufacturer.
Q. Can you tell me the name of the one primary wholesaler?
A. McKesson.

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Q. Does Cigna also purchase pharmaceutical products that are not related to its specialty pharmacy service for it's Tel-Drug mail order service?
A. Yes.
Q. Do you have an understanding of the price that Cigna pays for the drugs purchased for the Tel-Drug mail order service?
A. Yes.
Q. Can you tell me what that understanding is?
MR. ST. PHILLIP: The current price or the historical price?
MS. SCHOEN: Let's do historical prices.
A. Are negotiated with the manufacturer direct along with ones that are not negotiated directly. They are in a WAC range which could be in the same range of plus 5 minus 10.
MS. SCHOEN: I assume that you're maintaining your objection to the witness answering the question as to the current rates in the mail order context as well.
MR. ST. PHILLIP: Can you read that back.

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(The reporter read back.)
MR. ST. PHILLIP: Insofar as the -- what he has testified that that information was -- the pricing information was related to a contract between your clients and us, your clients know that information.
MS. SCHOEN: This would go to the clients purchasing from a wholesaler which would not involve the pharmaceutical manufacturers.
MR. ST. PHILLIP: I think that -- can I confer with the witness about the sensitivity of the information?
MS. SCHOEN: Certainly.
(Witness and counsel confer).
MR. ST. PHILLIP: Cigna considers the price -- the price arrangements it currently has with wholesalers to be competitive information, vis-a-vis the pharmaceutical manufacturers, and as a result, I instruct the witness not to answer with respect to current financial arrangements.

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Q. The WAC range that you described of plus 5 percent to minus 10 percent, would that hold true all the way back through 1991?
A. Yes.
Q. Am I correct that the WAC range that you've described of plus 5 percent to minus 10 percent only applies to Cigna's purchases from the wholesaler?
A. Correct.
Q. Can you describe the price that Cigna may pay if it purchases direct from a manufacturer in relation to any industry benchmark?
A. It's a --
MR. ST. PHILLIP: Objection.
A. It's a negotiated price. It has no relationship to any industry benchmark.
Q. Am I correct that Cigna would negotiate with manufacturers a direct purchase price that would allow Cigna to purchase directly from manufacturers in some cases?
A. Yes.
Q. And in other cases, Cigna would negotiate with a manufacturer a rebate to receive on utilization

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of a particular manufacturer's product?
A. Yes.
Q. Are part of your responsibilities supervising -- strike that.
Do you have an understanding of the reimbursement that Cigna provides to pharmacies with whom it contracts?
A. We make payments to retail pharmacies, yes.
Q. And what are those payments for?
A. Those payments are for drugs and services provided to our members.
Q. Do you have an understanding of the payments that Cigna makes to the pharmacies that it contracts with?
MR. ST. PHILLIP: Objection to form.
A. I'm not clear with your question.
Q. Do you have an understanding of the amount of the payment that Cigna pays to pharmacies with whom it contracts?
A. I understand the contracted rates, yes.
Q. Can you tell me the methodology that Cigna has employed in making payments to its pharmacies since

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1991?
A. Yes. It's a formula approach that uses an industry benchmark called AWP, and it's an AWP minus 4 brand and 4 generic, separate distinction between brand and generic, and then there is a dispensed fee.
Q. Do you have an understanding of the range of percent below AWP that Cigna reimburses at?
A. Yes.
MR. ST. PHILLIP: Currently?
MS. SCHOEN: Yes.
A. Yes.
Q. Do you have that understanding going back to 1991?
A. Yes.
Q. Can you tell me the range from 1991 to the present?
A. It falls under contractual arrangements that I can't disclose. It's competitive information.
MR. ST. PHILLIP: Let me confer with the witness just a second.
MS. SCHOEN: We do have contracts in this area up to -- up to, I think, 2004.

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MR. ST. PHILLIP: I'll confer with the witness.
(Witness and counsel confer.)
MR. ST. PHILLIP: Back on the record. I've just explained to the witness the parameters of the protective order in the case, and the ability and disclosure rights and obligations under the order, and the witness thought that competitive information might have been eked out because he thought Mr. Notargiacomo was an Aetna client, so we have cleared that up, and so the witness now understands the parameters of the protective order, and so if you would either read back the question or ask it again, we will see where it goes.
MS. SCHOEN: Would you read it back.
(The reporter read back.)
A. I will give you historically the range has been from minus 8 to minus 20 AWP.
Q. Does the range that you've just described, from AWP minus 8 percent to AWP minus 20 percent, apply

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only to branded pharmaceuticals?
A. No. It would -- there's separate contracting for generics, so methodology and range is the same. Oh, no, it isn't. It's different. What am I thinking!
Q. So then just answer my question again.
Does the range that you just described of AWP to minus 20 percent to AWP minus 8 percent apply only to branded?
A. Only to branded.
Q. Is there a different range that Cigna will make payments at for generic pharmaceuticals?
A. Yes.
Q. Can you tell me what that range would be?
A. I mean historically again would be minus 8 to MAC, which MAC is minus 55, 60 roughly.
Q. And just for clarity, when you say historically, you're speaking back until 1991 until --
A. Until --
MR. ST. PHILLIP: Current. Current contracts.
MS. SCHOEN: Okay.
MR. ST. PHILLIP: Is that correct?

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THE WITNESS: Yes.
Q. And you referenced the MAC price for generics.
Does Cigna have its own MAC price list?
A. Yes.
Q. Can you tell me how Cigna formulates that list?
A. In general terms, we take in several different sources of what the drugs would cost the retail pharmacy out in -- through wholesalers, and through that process determine what would be the appropriate payment for that particular drug to the retail pharmacies and set that MAC at that price. So it's using several different sources of data.
Q. So tell me if I have this right. Cigna uses several different sources of data to determine the cost to the retail pharmacies for these generic pharmaceutical products?
MR. ST. PHILLIP: Objection.
A. We determine what we will pay the pharmacy by using that information, but the information that we have been provided isn't the price that we would pay.

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We make adjustments based on what we see in the marketplace to be competitive.
Q. So Cigna does put some effort into understanding what retail pharmacists may have to pay for a generic drug?
MR. ST. PHILLIP: Objection.
A. Yes.
Q. Can you tell me what sources or what process Cigna goes through generally to make that determination?
A. We use wholesaler pricing. We use our own direct purchasing for our pharmacies. We use governmental established rates to make the comparison.
Q. So, for example, if Cigna purchases a generic drug through or for its Tel-Drug mail-order service, you might look at the price Cigna is paying for that, and take that into account when you set a MAC price for that particular generic drug?
MR. ST. PHILLIP: Objection.
A. Yes. We do take that into account.
Q. But at the same time -- strike that.
But would I also be correct to say that

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the price -- the payment rather that Cigna makes to a pharmacist for a generic pharmaceutical product would not necessarily be at that price, but would be affected by the competitive nature of the marketplace?

MR. ST. PHILLIP: Objection.

A. Yes.

Q. So that price would build in some kind of a reasonable margin for the pharmacists?

MR. ST. PHILLIP: Objection.

Are you talking about all generic drugs?

MS. SCHOEN: Yes. We're talking about generic drugs right now.

A. In specific, we will look at what pharmacies would acquire the drug for and what would be a reasonable margin to make on that drug as part of our analysis.

Q. And when you say a reasonable margin, you mean a reasonable margin for the pharmacist to make on that particular drug?

A. We would provide a profit margin which would be competitive in the marketplace.

Q. How do you determine if a particular profit

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margin is competitive in the marketplace?

MR. ST. PHILLIP: Objection. Every time a generic drug still?

MS. SCHOEN: Yes. We are still talking about generic drugs.

A. It's a practice, just a standard business practice that we use and employ in terms of running a business, and how much profit you need to make on the drug versus other things in the pharmacy. Just like you would read analysts' reports. We read analysts' reports to see what retail pharmacies are making and make appropriate adjustments.

Q. So you basically do research and maybe have conversations with pharmacists?

A. We don't have conversations with the retail environment about our MAC pricing. We read analysts' reports. We make a good business decision. We look at protecting our members and clients to insure that they get the best value when they are going to the retail pharmacy, so by providing the best value, it will be the lowest profit margin tolerable by the retail environment.

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Q. So your goal is to provide the pharmacies for generic drugs with the lowest payment that you can but still allowing them to stay in business and have some reasonable profit margin?

MR. ST. PHILLIP: Objection.

A. It's a reasonable accounting of it, yes.

Q. Now, we've been talking about generic drugs. Turning back to branded drugs, do you go through a similar analyses when determining the payment to make to a pharmacist for a generic -- a branded drug?

MR. ST. PHILLIP: Which analysis are we talking about?

MS. SCHOEN: The analyses where Cigna would attempt to determine the price that a pharmacist could buy a branded drug for and then look at analysts' reports and other information to determine an appropriate reasonable profit margin.

A. No.

Q. Can you tell me what process Cigna would go through to determine the payment rate for branded pharmaceuticals to a pharmacist?

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MR. ST. PHILLIP: I guess I'm just going to object insofar as there are thousands of pharmacies, and so to the extent that you can answer that generally, please do so.

MS. SCHOEN: If there's no general answer, then that can be the answer. I'm asking if there was a general answer like there was for the generic.

A. The general pricing methodology is based on the number of pharmacies, the compliance to our formulary to quality statistics, to -- are the other criteria along with the competitive nature on what other pharmacy benefit providers are reimbursing through anecdotal information that we are able to acquire, but there -- I have to be more specific in that this is not on a drug-by-drug basis like MAC.

MAC is on a drug-by-drug basis. Brand is purely a percentage off of AWP for all brands.

Q. Why is there a difference between Cigna's approach to payments to pharmacist for generic drugs and payment to pharmacists for branded drugs?

A. On the generics, the reason for the MAC

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pricing is the movement to the lower cost drugs which are generic where there is a brand with a multisource generic available. We only want to -- we only want to pay for the generic value. Even if they decide to dispense brand, we only want to pay for generic, so it's a driving to the lowest net cost is why we set up the generics the way we do, because we want movement to the lowest cost for our patients.

Branding -- again, the way we do that is an industry standard that has been out there prior to 1991, where there has been an established price or percentage off AWP for the retail network.

Q. Does Cigna offer a higher dispensing fee to pharmacists for generic drugs over branded drugs?

MR. ST. PHILLIP: Objection.

A. For the most part brand and generic dispensed have the same dispensing fee.

Q. So just to make sure that I understand your answer, Cigna's methodology for determining its MAC price list versus its methodology for determining how to pay physicians -- rather pharmacists for branded drugs, is due, at least in part, to wanting to drive

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pharmacists to dispense the lower cost generics rather than the higher cost branded drugs?

A. Our goal, as our clients have contracted with us, is to provide them the lowest net cost, so we will arrange and organize our business to provide that lowest net cost and still provide the health to the patients. So we set up and try to drive to generics, when they are therapeutically equivalent, as much as possible.

Q. So is it your understanding that the reimbursement -- I'm sorry, the payment that Cigna makes to pharmacists for generic drugs allows the pharmacists the higher margin than the payments that Cigna makes for branded drugs generally?

MR. ST. PHILLIP: Objection.

A. I can't tell you what margin, because I don't know what they're buying their drugs for.

Q. You don't know what the pharmacists are buying their branded drugs for?

A. I don't know what the retail chains are buying their drugs for exactly.

Q. Branded drugs or generic drugs or both?

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A. Both.

Q. Earlier I thought that you testified that Cigna looks at what it pays for a particular generic drug, and then uses that information to give it some idea of what the pharmacists were paying for the same generic drug, is that correct?

MR. ST. PHILLIP: Objection. That mischaracterizes his testimony.

A. That isn't correct. What I'm saying is that we do purchase our own, but that does not tell me what a retail pharmacy chain can purchase those same drugs for. So all I can do is make estimates based on what I can buy them for, but that doesn't tell me what they are buying them for. It just gives me some indications, and based on those indications, I make a value decision at that point.

Q. So looking at what Cigna pays for a particular generic drug doesn't tell you exactly what a pharmacist might pay, but it gives you an idea of the range in which they are paying for drugs?

MR. ST. PHILLIP: Objection. Asked and answered.

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A. Yes. It gives me an idea.

Q. And likewise, Cigna's purchasing of branded drugs for its mail order pharmacy would give you some idea of what pharmacists in the retail world are paying for branded drugs, is that correct?

MR. ST. PHILLIP: Objection.

A. It gives us some idea, but I don't know what their arrangements are with the wholesale community or with the manufacturer. I don't know what their arrangements are.

Q. In terms of purchasing -- strike that.

In terms of retail pharmacies purchasing from wholesalers, is it your understanding that the retail pharmacists purchase from wholesalers in relationship to the WAC price?

MR. ST. PHILLIP: Objection. Are you talking about all retail pharmacists?

MS. SCHOEN: I'm talking about retail pharmacists generally.

A. In general, they buy in some relationship to WAC, yes, as I understand it.

Q. Is it correct that when Cigna determines how

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much of a payment to provide to a pharmacist for a branded drug, that it does not look at what Cigna pays for branded drugs generally?

MR. ST. PHILLIP: Objection.

A. No. No. Again, it's following the line of what's competitive out in the marketplace in terms of what I will pay a pharmacist for a branded drug, and understanding that my percentage off of AWP is purely a pass-through to our clients so that I am not -- I am setting the price that my client will pay for. And that -- I think you'd have to restate the question so I can get clarity on what you're asking.

Q. Sure. Let me ask it differently.

When Cigna determines what payment to make to a pharmacist for a branded drug or branded drugs generally, does Cigna care what the physician -- the pharmacist acquisition costs was?

A. No.

Q. Instead -- and let me know if I've got this right -- what Cigna cares about is the competitive marketplace and being at a reasonable place to allow it to maintain the network of pharmacies in comparison to

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other health plans?

MR. ST. PHILLIP: Objection.

A. I would characterize it that we set our payments to the retail pharmacies so that it is competitive in the industry.

Q. Who are you competing with?

A. We are competing with other pharmacy benefit providers, and this is related to pharmaceuticals. This is not related to healthcare.

Q. So, for example, you would be competing with pharmacy benefit managers, like Caremark?

MR. ST. PHILLIP: Objection.

A. I would say that I would characterize them as competitors, but that our pharmacy benefit that we provide is not what they provide.

Q. Can you explain the difference?

A. The difference is that we are part of a health plan. That's the difference. We are not independent from a health plan.

Q. So would that difference be a difference primarily for your clients?

MR. ST. PHILLIP: Objection.

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A. It is a difference in terms of our clients. It is a difference in terms of the benefit that we provide relative to those other entities.

MR. ST. PHILLIP: Is this a good time for a break?

MS. SCHOEN: I just have a couple more questions.

Q. But this Cigna Pharmacy provides similar services to Cigna that a pharmacy benefit provider or rather a pharmacy benefit manager would provide to a health insurance plan, is that correct?

MR. ST. PHILLIP: Objection. Objection. If you understand it.

Q. For claims processing?

A. Yes. We provide claims processing.

Q. Formulary management?

A. Yes.

Q. I'm just trying to understand if there's any other distinctions between the services that a pharmacy benefit manager would provide and what Cigna is providing to Cigna, because to me it seems like you are basically serving the same function, with the exception

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that Cigna Pharmacy is a part of the larger Cigna, and a pharmacy benefit provider is an independent separate entity.

MR. ST. PHILLIP: There is no question.

MS. SCHOEN: That is a question actually.

Q. Is that correct?

MS. SCHOEN: I mean, we can go through a whole line. I was just trying to shortcut the question. Earlier he indicated there was a distinction, and I don't want to miss anything, if he can tell me if that's correct or not. And if not, we can go through a whole line of questions.

If there's no distinction, then I'm not interested in going down this line.

MR. ST. PHILLIP: To the extent you understand it, you can answer.

A. The distinction is we provide services to Cigna Health Care members only. We do not provide services to any other health plan. Pharmacy benefit managers sell their services to multiple health plans.

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We only support our own which is Cigna health plans. That is the distinction, and it is a significant distinction.

MS. SCHOEN: Thank you. Why don't we take a break now.

(Recess was taken).

Q. Can you tell me how long has Cigna's pharmacy existed?

A. Cigna Pharmacy -- it is not a legal entity. It has been part of Healthcare since Healthcare was established, which is well before '91.

Q. And has Cigna Pharmacy always provided the pharmaceutical benefit management services for Cigna?

A. Yes.

Q. Has Cigna ever used third party or any other entity to provide those services?

MR. ST. PHILLIP: Objection. To the extent that the question calls for a client's relationship, if any, with any PBM, I'll note that deposition subject 8 was excluded by the court in the November 2, 2004 order, so we would move in advance to strike the witness's

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answer, but with that reservation, we'll allow the witness to answer.

MS. SCHOEN: For the record, we obviously disagree. This question falls under other deposition subjects that were allowed, in particular, deposition subject 1.

MR. ST. PHILLIP: With that, you can answer, if you remember the question.

THE WITNESS: I do remember the question.

A. We do contract with other pharmacy benefit managers or have contracted with other pharmacy benefit managers.

Q. Can you tell me when -- strike that.

Can you tell me whether Cigna currently contracts with another pharmacy benefit manager?

MR. ST. PHILLIP: I will make the same objection, and motion to strike.

MS. SCHOEN: And the same response.

A. There is two relationships that I know of at this point.

Q. Can you tell me what those are?

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MR. ST. PHILLIP: Same objection.

A. Those are current contract relationships that I don't feel that I should be disclosing.

MR. ST. PHILLIP: Just so if that's the client's position, it's also the lawyer's position. We'll take the position that we litigated this exclusive question before Magistrate Judge Bowler. She ruled and indicated that subjects 8, 9, and 10 were excluded from the deposition.

As a result, I'm instructing the witness not to answer.

MS. SCHOEN: Okay. Clearly it is our position that this broad line of questioning falls under deposition subjects that have been allowed. As I've stated previously in specific relationship to subject 1, under Cigna's methodology for reimbursement and paying for pharmaceutical products either directly or through PVMs.

MR. ST. PHILLIP: I think we understand your position.

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Q. In 1991, did Cigna contract with a pharmacy benefit manager?

MR. ST. PHILLIP: I will instruct the witness not to answer.

MS. SCHOEN: Are you going to instruct the witness not to answer any of the questions about the relationship with the pharmacy manager from 1991 to -- correct?

MR. ST. PHILLIP: I'm going to instruct the witness not to answer any questions concerning any relationship with any PBM, and I'm going to rely on deposition instruction No. 8 for that instruction.

MS. SCHOEN: Well, under deposition subject No. 1, all methodologies your client utilized or considered utilizing to determine the amounts to pay or reimburse healthcare providers and pharmacies, either directly or through PVMs, for drugs administered or dispensed requires some understanding of whether there was a PBM to understand the methodology for reimbursement.

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MR. ST. PHILLIP: And I think we understand each other's positions.

Q. Can you tell me why Cigna, from 1991 to the present, would have contracted with a pharmacy benefit manager rather than simply relying on Cigna Pharmacy which provides that service -- the pharmacy management service as well?

MR. ST. PHILLIP: I'd like the same instruction, and rely on deposition subject No. 9 specifically.

MS. SCHOEN: So you're instructing him not to answer?

MR. ST. PHILLIP: Yes.

Ed, are you on the phone?

MR. NOTARGIACOMO: Yeah. I got kicked off for a minute, but I'm back.

Q. Can you tell me historically what percentage of the pharmacy benefit services that Cigna provides to its members has been administered by Cigna Pharmacy as opposed to some other entity?

MR. ST. PHILLIP: Same objection.

If the witness understand the questions,

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I'll let him answer.

A. Less than 5 percent was done by others during that time frame.

Q. You mentioned earlier you used the term pass-through to client in terms of discussing the payments that Cigna makes to pharmacists?

A. Uh-hum.

Q. Can you tell me what you mean by pass-through to client?

MR. ST. PHILLIP: Objection. It calls for a legal conclusion. The witness can answer.

A. What I meant by pass-through is that Cigna still pays the retail pharmacies, but what we bill the client is the -- exactly the same amount that we paid the retail pharmacy.

Q. And is that true for all of the plans that Cigna offers?

MR. ST. PHILLIP: I'll just interpose an objection based on deposition topic 22, but to the extent that the witness can answer, I'll allow him to answer.

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A. For the most part, that is the arrangement I described is how we handle the retailing network. There are varying plans where there are varying discounts where it may or may not be a direct pass-through, but in general terms, that is the arrangement I described previously.

Q. I believe you testified earlier that Cigna contracts in some cases directly with manufacturers for rebates for pharmaceutical products?

MR. ST. PHILLIP: Objection. The record speaks for itself.

A. As I had referred earlier, we do.

Q. Does Cigna pass on the rebates that it receives from pharmaceutical manufacturers to its clients?

MR. ST. PHILLIP: Objection. It calls for a legal conclusion as to what pass on means, and it relates directly to topic No. 22, which is your client's relationship with your insured's, including all methodologies by which you bill your insureds, directly or indirectly, for

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pharmaceuticals and pharmaceutical expenses or administrative services.

The topic was excluded by Magistrate Judge Bowler on the November 2, 2004 order, and we will move to strike the witness's answer, but I'll allow him to answer.

A. We have financial arrangements that may include sharing some of the rebate dollars with the client.

Q. And would that vary by client?

MR. ST. PHILLIP: Same objection.

A. Yes.

Q. Would there be instances in which Cigna does not share any of the rebates it might receive from a pharmaceutical manufacturer with a client?

MR. ST. PHILLIP: Same objection and motion.

A. Yes. As I stated earlier, it varies by client.

Q. Earlier we were discussing the payments that Cigna makes for branded pharmaceutical products that pharmacists may dispense to members, and you had

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testified that there is variation in the discount off of AWP that Cigna reimburses, is that correct?
MR. ST. PHILLIP: Objection. It mischaracterizes the testimony.
A. I believe -- I have already answered the question. I guess I -- could you repeat what it is that you're asking?
Q. I'm referencing you back to the prior testimony where you had testified that there is a variation in the payment that Cigna may make to a pharmacist for branded pharmaceutical products.
MR. ST. PHILLIP: Objection. I think it mischaracterizes the testimony.
A. I believe what I was stating was that there is variation in what discounts off of AWP are provided to the retail network based on a group of criteria that we had outlined earlier.
Q. And in particular, you referenced a variation of AWP minus 8 percent to AWP minus 20 percent for branded pharmaceuticals, is that correct?
MR. ST. PHILLIP: Object to the form.
A. You'd have to repeat what you just stated in

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terms of the range. I didn't --
Q. The range that you had testified earlier that Cigna makes payments to pharmacists for branded pharmaceuticals was AWP minus 8 percent to AWP minus 20 percent?
A. That is correct.
Q. Can you tell me what causes the variation between the minus 8 percent to the minus 20 percent?
A. I already answered that question earlier, based on the criteria that we use in determining the discount off of AWP.
Q. So the same criteria you mentioned earlier, the number of pharmacies, compliance with the formularies, the quality statistics, and the competitive nature of the marketplace?
A. Correct.
Q. Are there any other causes for the variation?
A. Those are, in general, what we use.
Q. Is it correct that some pharmacists or retail chains that Cigna would negotiate with would have more leverage than others?
MR. ST. PHILLIP: Object to the form.

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A. What do you mean by leverage?
Q. More leverage to -- more bargaining power in the negotiation process? Would some pharmacists or retail chains have more bargaining power when you, say, sit down at the table with Cigna, than others?
A. They may, but up until this point, we negotiate based on a set of criteria, and we really don't go beyond that subject criteria with any entity.
Q. Well, within the set of criteria, there is some variation?
MR. ST. PHILLIP: Objection. Go ahead.
A. Like any negotiated arrangement, it's a negotiated arrangement, so there's variation.
Q. And my only question is whether some of that variation is due to some pharmacists or retail networks having more bargaining power than others?
A. I mean, I answered that, that, you know, it's a negotiated agreement, and there's all kinds of things that enter into it based on what they are providing from services and drugs.
Q. I'm asking about one particular aspect of that.

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A. Which aspect is that?
Q. Which is whether some pharmacists or retail chains have more bargaining power than others in these negotiations?
MR. ST. PHILLIP: Objection. Asked and answered.
A. I guess I'm trying to understand what aspect -- you keep referring to leverage. I guess I'm trying to understand what piece are you looking at? You know, there -- I don't -- I guess -- I'm not clear on what leverage you're looking for.
Q. Well, I used the term bargaining power.
Is that a term that has some meaning to you?
A. It does. If I'm the only pharmacy in a community, you have bargaining power to negotiate a better rate.
Q. So the answer to my question is that yes, some pharmacists or retail chains would have more bargaining power than others?
MR. ST. PHILLIP: Objection. You asked it a couple of times, and he has answered it

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a few times.
A. My point is that each situation is unique. Each negotiation is unique, and we settle on terms based on that particular situation, and it varies by chain. It varies by state. It varies by location. There are a tremendous amount of variables that are considered when negotiating.
Q. And my question was just a little bit different.
It goes to one particular facet of the negotiation, not questioning whether it is the sole facet but whether it is one, and whether it is the case that in negotiations with pharmacists or a retail chain, some may have more bargaining power than others?
MR. ST. PHILLIP: We stipulate to that.
We stipulate to that.
Q. Can you tell me why Cigna offers a dispensing fee to pharmacists and retail chains in addition to the reimbursement that you've described that's either based on some percentage off of AWP or based on a MAC price list?
A. The dispensing fee is an industry standard.

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A long time ago -- and I can't establish when, but prior to '91 -- there was a price that was determined for the drugs, and then there was a price determined to put the drugs in the bottle, and the dispensing fee is putting the drugs in the bottle.
Now, today, it is still carried on as a practice, but has no relevance to a service being provided as putting drugs in a bottle. It is just part of the pricing platform that is used in the industry, and we continue to maintain that.
Q. So I just want to make sure I understand.
When you say there's no -- currently no relevance to the service being provided, is that because -- are you saying that the dispensing fee is kind of an artificial concept now?
MR. ST. PHILLIP: Objection.
A. No, I didn't say that. It's just --
Q. Can you explain a little more what you mean by no relevance to the service being provided?
A. It is now -- you really just look at the two pieces together as this is the price I pay you. Whether or not the service component is within the drug

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price or the service component is within the dispensing, you put the two together. That's the price I'm paying you for the drugs and service.
So you really can't delineate those separate any more; where at one time, long ago, there was a true distinction between this is the cost of the drugs, and this is the cost of the service.
Q. I see.
So when you negotiate with a pharmacist, or you look at a payment that you might consider making to a pharmacist, you're going to consider the AWP based price or the MAC based price that we talked about earlier and the dispensing fee kind of as one package?
MR. ST. PHILLIP: Objection.
A. We negotiate a price AWP minus or MAC plus a dispensing fee as our process of determining what we will pay, and both of those are taken into account for that payment. That's the process.
Q. In negotiating with a pharmacist, do you ever come across a situation where a pharmacist might say, I really prefer a higher dispensing fee, and so, as a part of the process, for some reason they value a

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higher dispensing fee, and that might end up making the AWP reimbursements, say, for a branded pharmaceutical less?
MR. ST. PHILLIP: Objection. Foundation.
A. I have not -- I have not seen that. What people will negotiate, both pieces separately, and they will negotiate them together. It varies by retail pharmacy.
Q. When you say people, are you referring to the Cigna negotiators or the pharmacist negotiators?
A. The retail pharmacy negotiators.
Q. But regardless of how the retail pharmacist would look at it, Cigna is looking at it as a total payment with two prongs or two components?
A. I believe I already answered that, and we look at both components and in total.
Q. Do you have an understanding of whether the dispensing fees that Cigna provides covers the pharmacist's costs of dispensing the drug and the pharmacist's overhead?
A. Am I aware -- can you ask the question again

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because I'm not clear?
Q. Sure.
Do you have an understanding of whether the dispensing fees that Cigna provides actually cover the pharmacist's costs of dispensing the drug and any attendant overhead costs that the pharmacist might have?
MR. ST. PHILLIP: I assume you're not asking the question with respect to each of the fifty odd thousand pharmacists?
MS. SCHOEN: I'm asking as a general matter.
A. I have no idea if it's covering it or not. I can make my own personal assumptions, but as a business, I don't know whether or not, you know, it covers it because I don't know the intricacies of their financial arrangements.
Q. Does it matter to you whether it covers the pharmacist's overhead and costs or not?
A. What matters to Cigna is that they are providing the services required for our patients. That's what makes a difference to us.

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Q. For what Cigna believes to be a reasonable payment?
A. Correct. That's correct. Yes.
Q. Do you know why Cigna uses the average wholesale price or AWP as a benchmark for reimbursing pharmacies?
A. This is an industry standard that we are following and have followed since 1991.
Q. Has Cigna ever considered using a different benchmark for payments to pharmacies?
A. Have we considered? We have considered, but it's paddling upstream. It would be so outside of what everybody else is doing that we would lose all of our business, because everybody is under the AWP minus methodology.
Q. Are there any other reasons that Cigna has not made an attempt to switch from the AWP benchmark to another benchmark?
MR. ST. PHILLIP: Objection. It assumes facts not in evidence.
A. You know, again, this is a battle that we don't think is worth fighting. Are there other

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methodologies that you could implore? Sure. There are businesses out there that do other things that are outside the pharmaceutical industry, but in this industry, this is what the industry uses, and that's what we're following is an industry standard.
Q. So would you say that the average wholesale price benchmark, is that a convenient benchmark to use for payments to pharmacies?
MR. ST. PHILLIP: Objection.
A. I can't say whether it's convenient. It's what we use as part of our pricing methodology to make payments to the retail pharmacies.
Q. Going back to our questions earlier, you had testified as to the range of purchase prices that Cigna may receive from wholesalers historically but objected to providing that information currently.
I would ask, based on subsequent conversations with counsel, if you're now willing to testify as to the current range?
A. We're not.
Q. So that's distinct from the reimbursement or payments provided to pharmacies? You're putting that

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in a different class of --
MR. ST. PHILLIP: I'm sorry, what -- I'm not understanding.
MS. SCHOEN: Initially you had objected to testimony on the current reimbursed payment rates to pharmacies or retail chains, and then allowed that testimony.
My question is whether that same position would hold true for Cigna's purchases of pharmaceuticals from wholesalers?
MR. ST. PHILLIP: I mean, I guess the distinction that we are trying to draw here is that Cigna's contractual rates with wholesalers and pharmacies are more competitively sensitive in terms of their relationships in the industries and pricing situations than historical rates.
And since this case involves a -- what is it now 14 years -- 13-year time frame, that based on the balancing of the competitive harm to Cigna and the need for

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the parties in this case to have access to information, we are taking the position that current rates are -- the competitive sensitivity of the current rates are trade secrets and that include that testimony, and that any historical rate over the time period of the 13 years that exists in this litigation are fair game.

MS. SCHOEN: So the upshot of that is you're still directing the witness not to answer those questions?

MR. ST. PHILLIP: With respect to current contracted rates.

Q. Is it correct that Cigna offers different plans?

MR. ST. PHILLIP: I'm going to pose an objection based on deposition topic No. 22 which calls for your clients' relationship with your insureds, including all methodologies by which you bill your insureds, directly or indirectly, for pharmaceuticals and pharmaceutical dispensing

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or administration services, which topic was excluded by Magistrate Judge Bowler in the November 2nd, 2004 order.

MS. SCHOEN: This is a background question to get to No. 1, which is reimbursement methodologies and what -- the goal is to establish whether the reimbursement methodologies may differ by plan, but before I can ask that question, I need to understand if, in fact, Cigna offers more than one health plan.

MR. ST. PHILLIP: All right. We'll preserve our rights to strike the answer and allow the witness to testify.

A. Yes. We offer different plans to different clients.

Q. Does the reimbursement or payment that Cigna makes to pharmacists or retail chains vary based on the particular plan that a member may have?

MR. ST. PHILLIP: Same objection.

A. If I understand the question correctly, we do not reimburse the retail pharmacies any different rate

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relative to a plan that a client may have. The reimbursement rate to the retail pharmacies is consistent across our base of client and plans.

Q. Besides the example you told me about earlier in Arizona, does Cigna own any hospitals or physician groups?

A. No.

Q. Can you tell me what RX Prime is?

A. RX Prime is our -- one of our pharmacy plans within Cigna Pharmacy.

Q. Can you describe what a pharmacy plan is?

MR. ST. PHILLIP: Again, I interpose an objection based on topic No. 22.

You may answer.

A. A pharmacy plan is the rates which are charged to a client for pharmacy services, which include not only dispensing of drugs both retail and mail, but clinical programs and other services that we may provide as it relates to pharmacy.

Q. And how many pharmacy plans does Cigna have?

MR. ST. PHILLIP: Objection based on topic No. 22.

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You can answer.

A. I don't have a count of the variations. There are, as in any negotiated contract with our clients, there are variations by client. So the plans vary by client. They are specific to client.

Q. So each client plan is going to be a bit different from another client's plan?

MR. ST. PHILLIP: Again, I'm going to object based on topic No. 22, and reserve our right to strike the answer, but I'll allow the witness to answer.

A. Clients could have a similar plan to another client. The client could have a totally different plan based on what their requirements are in terms of what programs they do or don't want to implement within their client -- within their member base.

Q. Is Health Source RX another pharmacy plan that Cigna offers?

A. Yes, it is.

MR. ST. PHILLIP: Another objection based on topic No. 22.

A. It was an acquired plan in our acquisition of

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Health Source and was rolled into other pharmacy plans, so Health Source RX doesn't exist any more in -- after acquisition.

MS. SCHOEN: I would just note for the record that questions regarding RX Prime and Health Source RX are related to documents produced by Cigna.

MR. ST. PHILLIP: And also topics excluded by Magistrate Judge Bowler on the November 2nd, 2004 order.

MS. SCHOEN: To understand the document, I need to understand what these entities are.

MR. ST. PHILLIP: We reserve our rights.

Q. Did you have an understanding of whether pharmacies or retail chains receive rebates from pharmaceutical drugs that they dispense?

A. I'm not aware of that.

Q. Does Cigna take any steps to encourage physician's to use a Cigna Specialty Pharmacy service?

MR. ST. PHILLIP: Objection.

A. We encourage them to use our specialty pharmacy.

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Q. How do you do that?

A. Through promotional material, phone calls.

Q. Any other ways?

A. No.

Q. Do you have an understanding that when a physician administers a pharmaceutical in his office, that he will receive an administration fee from Cigna for that service?

A. This is outside --

MR. ST. PHILLIP: I'm going to object to the question based on the exclusion of topic No. 15 in Magistrate Judge Bowler's November 2, 2004 order which relates to the exact question posed by counsel, so we'll move to strike the answer.

MS. SCHOEN: This also goes to deposition subject 1.

MR. ST. PHILLIP: I understand that, but 15 is the more specific which exactly states that for physician-administered drugs, whether and to what extent your clients' negotiations with providers about

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reimbursement expressly dealt with a distinction between (a) the reimbursement of the drug itself and (b) the reimbursement for the medical provider's administration service.

That is the question that's asked, and that is exactly the topic that has been excluded by Magistrate Judge Bowler, so I'm going to instruct the witness not to answer.

MS. SCHOEN: This is simply a question to establish whether, in fact, there is such an administration fee. It does not go to the if the distinction between the two. It's whether did they exist, and that falls directly under all methodologies your client utilized or considered utilizing to determine the amounts to pay or reimburse to health care providers, including doctors.

MR. ST. PHILLIP: It's our opinion that the specific controls are general and trying to obey Magistrate Judge Bowler's order, that as a result we're going to instruct the

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witness not to answer.

Q. So to your understanding, the ways that Cigna encourages a physician to use the specialty pharmacy services provided by Cigna are through promotional materials and phone calls and no other ways; is that correct?

MR. ST. PHILLIP: Objection. Mischaracterizes the testimony.

The witness can answer.

A. I mean, I answered earlier how we promote our service of the specialty pharmacy to doctors is through FAXes, through promotional material, through phone calls and FAXes.

Q. So the answer to my question is yes?

MR. ST. PHILLIP: Objection. He answered your question.

A. Well, I had already previously stated what we do.

MR. ST. PHILLIP: Is this an appropriate point for a break?

MS. SCHOEN: Why don't we take a break now.

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(Recess taken.)
MS. SCHOEN: Back on the record.
Q. Does Cigna subscribe to any pricing reporters like for example, Redbook, First Data Bank, Med Span?
A. Yes.
Q. Can you tell me which ones, or all of them?
A. Many of the industry standard ones: Yes, Redbook; yes, Med Span; yes, First Data Bank, and I'm sure there are others.
Q. Do you know which one Cigna would rely on in determining the average price for its pharmacy contracts?
A. Our adjudication process uses First Data Bank.
Q. Do you know how Cigna decided which reporter to use for that process?
A. No, I don't know.
Q. Are you aware that different pricing reporters may list different actual wholesale prices?
MR. ST. PHILLIP: Objection.
A. I understand there is some variation.
Q. Do you have an understanding of what the

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variation is based upon?
A. My understanding is I've looked at it, and it's not significant. It's on a drug-by-drug basis, and the variance is very small.
Q. And you don't know why there is such variation —
MR. ST. PHILLIP: Objection.
Q. — is that correct?
A. My understanding is that it's mostly timing.
Q. Timing?
A. In terms of when their databases are updated.
Q. Do you have an understanding of the relationship between average wholesale price and the wholesale acquisition cost?
A. I understand the two values, and there's a variation in the relationship between the two.
Q. When you say there's a variation in the relationship between the two, can you tell me what you mean by that?
A. In that the difference between AWP and WAC vary.
Q. Drug-to-drug?

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A. Yes.
Q. So in your understanding, there's no industry standard relationship between average wholesale price and the wholesale acquisition cost?
MR. ST. PHILLIP: Objection.
Are you talking about the entire time period?
MS. SCHOEN: Yes, we are.
MR. ST. PHILLIP: Objection.
A. My understanding is that there's no consistency between what the average wholesale – the wholesale acquisition cost is to AWP. It just varies.
Q. Has Cigna ever done any analysis of the relationship between the average wholesale price and the wholesale acquisition cost generally?
A. Generally, yes.
Q. And can you tell me generally what the results of such an analysis were?
A. Yes. That there is quite a bit of variability between the two numbers on a drug-by-drug basis.
Q. Does Cigna have any understanding of the

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relationship between the average wholesale price and the actual acquisition cost for a particular drug?
MR. ST. PHILLIP: Objection to form.
A. Can you either restate it or clarify?
Q. Sure, absolutely.
Do you have an understanding whether there is a relationship between the average wholesale prices as published in the reporters that we had discussed and the actual acquisition cost of drugs generally?
A. The price that we purchase at versus the established benchmark of AWP have a tremendous amount of variability. So you're asking again is there a relationship? There is a tremendous amount of variability.
Q. So would it be correct to say that Cigna does not have any expectation that the average wholesale price bears a particular relationship to the actual acquisition cost?
MR. ST. PHILLIP: Objection.
A. The average wholesale price is a benchmark for which we use, and the industry uses, as a mechanism

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to set up payments for pharmaceuticals and services back to pharmacies, and what we purchase at is something different. So that's as I understand it or as we understand it.

Q. I think I understand you. I just want to understand. So you're saying that Cigna does not have any expectation that the average wholesale price is, say, any percentage above actual acquisition cost, below actual acquisition cost or --

MR. ST. PHILLIP: Objection. -- go ahead.

A. I have -- when we negotiate our payment to retailers as a percentage off of AWP, we don't take that into account in terms of what we are purchasing drugs for from the manufacturers. It -- we don't depend on the relationship of what WAC is versus AWP. We're concerned about what we're paying for the drugs versus what we are providing services and payments back to the retailers, so we look at those two pieces.

We don't look at the WAC versus AWP. You've asked that several times. We don't -- it doesn't influence us, nor do we have an expectation of

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what AWP is. We use it as an industry standard benchmark that has been out there for years, and so that's how we set up, how we sell and pay for services, and we use, you know, our negotiating skills in terms of what we buy from manufacturers. We do use WAC as a relationship when we purchase from a wholesaler only. Otherwise, I really don't deal with WAC at all.

(The Court Reporter marked the question.)

Q. I was also asking in addition to the question about WAC, I was also asking about actual acquisition costs.

Would the same statement that you just made hold true for the actual acquisition cost, that Cigna does not have an expectation of a relationship between average wholesale price or actual acquisition cost but, in fact, those are two separate pieces?

MR. ST. PHILLIP: Whose acquisition cost?

MS. SCHOEN: Cigna's.

MR. NOTARGIACOMO: I'll object to the question.

MR. ST. PHILLIP: Could you read it back

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for me, please.

(The court reporter read back.)

MR. ST. PHILLIP: So -- if you understand that, you can answer.

A. Yeah, I mean, I think that our acquisition costs are separate from AWP, and we don't have any expectations of what the relationship is between what we purchase the drug for versus what AWP is.

MR. WADE: Let me pause for one second.

(Discussion off the record.)

Q. You explained to me earlier the methodology that Cigna uses to reimburse pharmacies or historically has used since 1991, which was a percentage off of AWP plus a dispensing fee for branded drugs, and either a percentage off of AWP or a MAC list price plus dispensing fee for generic drugs.

Are there any other methodologies or ways that Cigna has reimbursed pharmacies from 1991 to the present for pharmaceutical products?

A. First of all, we don't reimburse. We pay. We make payments to retail pharmacies. There were a couple specific instances where we were providing a

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flat fee arrangement regardless of costs up or down to the retail pharmacy for a period of time, but no longer do that.

Q. Do you know the time period that Cigna employed the flat fee arrangement?

A. I believe that the time frame was between 2002 to -- 2002 and 2003 -- no, 2002 through 2004 -- excuse me.

Q. Can you tell me why Cigna employed the flat fee arrangement during that time period?

A. It was a request by part of the retail network to do that type of reimbursement, and we complied with the request.

Q. When you say part of the retail network, do you mean one particular retail chain?

A. There were two retail chains that were involved in that type of pricing.

Q. And can you describe to me how the flat fee arrangement worked?

A. It was literally a flat fee. For every prescription provided, we would provide a payment of a flat fee.

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Q. Was that fee in lieu of both the AWP minus and the dispensing fee?
A. Yes.
Q. Can you give me an estimate of what percentage of the pharmaceuticals dispensed to members were covered by this flat fee arrangement during this time period?
MR. ST. PHILLIP: Percentage of pharmaceutical --
MS. SCHOEN: I want to have some way to quantify it, so whichever way is easier for you.
A. I would say, at most, 1 percent of prescriptions dispensed in a year.
Q. Can you tell me did the flat fee arrangement end in 2004?
A. Yes.
Q. Can you tell me why it ended at that time?
A. It was different than everything else we were doing in the network, and we wanted to get all of our pharmacy relationships to comply to one standard methodology rather than having this outlier, and we

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wanted to get rid of the outlier.
Q. So Cigna went to the retail networks that had requested this and said, We're not going to do this any more?
A. Yeah. We renegotiated the contracts.
Q. Besides the flat fee arrangement that you just described, are there any other methodologies or ways that pharmacists have been reimbursed -- have been paid rather -- since 1991 for pharmaceutical products?
A. No.
Q. Can you tell me which retail networks requested the flat fee arrangement?
A. No.
Q. And why not?
A. For specific relationships that we have contractual relationships with -- and I don't know that I have to disclose my retail contracts in that, you know, specific detail. What's the point?
Q. Well, we have a number of your retail contracts already.
MR. ST. PHILLIP: And we agreed that a sampling was sufficient for purposes of

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disclosing that information, at least in discovery, so --
MS. SCHOEN: To the extent we have not received it, we will request one of these contracts as a sample to make the sample representative.
Q. In your opinion, would actual acquisition costs be a practical way to -- a practical benchmark to reimburse pharmacists on for pharmaceutical products?
MR. ST. PHILLIP: Objection to form.
A. Can you restate that for me, please?
Q. Sure.
Instead of using AWP, would the pharmacists' actual acquisitions cost for the drug be a practical benchmark for Cigna to employ to reimburse the pharmacists for the products that they dispense?
MR. ST. PHILLIP: Objection. It calls for speculation.
A. It's a plausible way of doing it. Again, it is against the standard that's out there, and in a competitive environment it wouldn't be appropriate for us to implement because it's outside the norm.

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Q. If Cigna were to have used or to use, going forward, the actual acquisition cost as a benchmark for reimbursement, would that change the amount that it ultimately reimburses the pharmacists or pays to the pharmacists rather?
MR. ST. PHILLIP: Objection.
With all pharmacy products?
MS. SCHOEN: As a general matter, yes, instead of the AWP standard which is currently used.
MR. ST. PHILLIP: If you can answer it.
A. I don't know how to answer it. I mean -- I don't know.
Q. If I did use a different benchmark, however, the competitive dynamics that you described to me earlier would still be the same in terms of the payments to the pharmacists?
MR. ST. PHILLIP: Objection. It calls for speculation.
A. We would want to use the same benchmark that the rest of the industry is using unless our clients request us to do something different.

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Q. You told me earlier about Cigna's preparation of its MAC list.

Can you tell me if AWP plays any role in compiling the MAC lists?

A. No.

Q. It does not play a role, or you can't tell me?

A. It does not play a role.

Q. Do you have an understanding of the term usual and customary?

A. Yes.

Q. Can you tell me what your understanding is of that term?

A. Usual and customary as it relates to pharmacy?

Q. Yes.

A. Usual and customary is a price that is determined by a pharmacy. If an uninsured person would go in and get a prescription filled, that would be the cash price.

Q. Do you have an understanding of whether the usual and customary price that's set by a pharmacist

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would be higher or lower than the wholesale price?

A. I'm not sure how they set their usual and customary.

Q. Has Cigna ever reimbursed for pharmaceutical products based on a usual and customary price?

A. Yes.

Q. Can you tell me when that was?

A. It's part of our existing plans where if the member's co-pay is greater than the usual and customary submitted by the pharmacy, we will give the lesser of the two, so that if AWP -- if the co-pay was a hundred dollars, and usual and customary is $78, the member would pay $78 to the pharmacy.

Q. Earlier you testified that Cigna does some analysis or looks at analysts' reports regarding pharmacy margins and its determination of MAC list pricing.

MR. ST. PHILLIP: Objection. I think it mischaracterizes the testimony.

A. Yes. That's not what I was saying. What I was trying to say is as we set our MAC pricing, we will look at the analysts' reports to tell us and give us

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some indication about what their profit margins are. Typically the analyst reports do not break out pharmaceuticals from the rest of their business. All we see is a cost of goods, and we make some estimates to determine what their potential profit margin may be on drugs, but it doesn't specifically tell us.

Q. Can you tell me, based on those analysts' reports, what have you concluded about the margin that pharmacists are making on the drug?

A. You mean --

MR. ST. PHILLIP: Objection; foundation. Go ahead.

A. Are you looking for specific amounts or -- I don't know what the specific numbers are. I'd have to go back to reporting, but again, it's an indicator for us to make some decisions on how much markup we believe they should receive on top of the acquisition costs that we've estimated they can acquire the pharmaceuticals for. So it's an estimate on top of an estimate. So --

Q. Right. So you use the estimate -- the estimated margin of what pharmacists are making on

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products -- on drug dispensing to make your determination -- to form you determination on the MAC pricing --

MR. ST. PHILLIP: Objection.

Q. -- is that correct?

A. Mostly, yes. Yes. We use those pieces of information as estimates to allow us to establish what we think the MAC price should be.

Q. And what have those -- what are those estimates? What margin do you think pharmacists are making on the drugs that you dispense?

MR. ST. PHILLIP: Objection. It calls for speculation.

A. To be honest with you, I don't have that information at hand to tell you today.

Q. So sitting here right now --

A. No, Sitting here right now, I can't, out of memory, pull out specifically what that is.

Q. Does Cigna have a formulary?

A. Yes.

Q. How many formularies does it have?

A. We have one formulary. No. Wait a minute.

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To describe it, we have one formulary with some variations to it.
Q. Would it be correct to say that the rebates that Cigna receives from pharmaceutical manufacturers are provided to Cigna in exchange for placement on the Cigna formulary?
MR. ST. PHILLIP: Object.
A. If it's determined that it is a preferred drug -- it goes on our formulary -- all drugs are on our formulary. I guess that's the first point. If it's a preferred drug, there may be financial arrangements that are created by keeping it on as a preferred drug with the manufacturer.
Q. And in exchange for keeping the drug on the formulary, the manufacturer may give Cigna a rebate for utilization of that drug; is that correct?
MR. ST. PHILLIP: Objection.
A. By placement as a preferred drug on the formulary, there is an opportunity to receive a rebate, but not necessarily a given.
Q. Do certain of the Cigna agreements with pharmaceutical manufacturers provide for increasing

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rebates as Cigna increases the utilization of a particular drug amongst its members?
MR. ST. PHILLIP: Objection.
A. It -- the rebate thresholds could go up based on level of market share that the drug receives, which may or may not be tied to utilization. It all depends on its relationship to other drugs that are being dispensed, but not necessarily based on volume.
Q. So some of the rebate agreements Cigna may have with pharmaceutical manufacturers have market share --
A. Yes.
Q. -- provisions?
MR. ST. PHILLIP: Hold on just for the record. I note that deposition subject No. 12 deals with our understanding of whether drug manufacturers provided health care providers or pharmacies with discounts, rebates, and other incentives that are not reported in pricing compendia or otherwise disclosed to the public.
As I look through the deposition, I

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don't see anything specific to rebates, so I preserve an objection based on a rebate line of questioning, but I'll allow the witness to answer.
A. Can you restate the question?
Q. I don't think there's a question pending.
MR. ST. PHILLIP: I was trying to get that objection into the pending question. I may or may not have been successful in that regard.
Q. Can you tell me has Cigna taken any actions since 1991 to reduce the total expenditures for pharmaceutical benefits?
MR. ST. PHILLIP: Objection.
I need a clarification. Whose expenditures? Cigna's or its members?
MS. SCHOEN: Cigna's. Let's start with Cigna's.
A. I'm not clear I understand the question.
Q. What actions, if any, has Cigna taken to reduce its total expenditures on pharmaceutical products?

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A. I mean, there have been many actions to reduce our overall costs that a client would pay through formulary management, contract negotiations, both with the pharmaceutical manufacturers to retail pharmacies to establishing clinical programs, and look at utilization of high dollar drugs, and brand or generic conversion programs where there's a therapeutically equivalent generic to a brand, moving folks to generics, where possible, would be some of the methods we've employed to reduce expenses.
Q. Would implementing the specialty pharmacy program be one of those methods?
A. Yes.
Q. Prior to starting employment at Cigna, did you have any understanding of the term average wholesale price?
A. No.
Q. Or postal acquisition cost?
A. No.
Q. Do you have an understanding of how the average wholesale price is set?
A. I have an understanding that First Data Bank,

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at least the one we use, uses a series of sources to determine what the appropriate average wholesale price should be for each specific drug. What sources it uses, I don't know, but that they have some form of methodology, but it's an industry standard that we've just used.

MR. ST. PHILLIP: And just for clarification, I don't know if the witness is talking about the entire period at issue, which is 1991 to present, or otherwise, so I just want to make the record clear if that's his answer for the whole period or not.

THE WITNESS: I would say it's for the whole period.

Q. Have you ever heard the term used "ain't what's paid"?

A. No. What is that?

Q. Instead of average wholesale price?

A. Oh, no.

Q. To your knowledge, have any pharmacy benefit managers conspired with drug managers to inflate any drug's average wholesale price?

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MR. ST. PHILLIP: Can you read that back for me.

(The reporter read back.)

A. Not that I know of.

Q. To your knowledge, have any pharmacies conspired with any drug manufacturers to inflate any drug's average wholesale price?

A. Again, not that I know of.

Q. Do you have any knowledge and understanding of any activity undertaken by a drug manufacturer to inflate the average wholesale prices -- average wholesale price for their drugs?

MR. ST. PHILLIP: When you answer this question, please don't divulge anything that you discussed with your attorneys. To the extent that you can answer the question with information you received outside of any discussion with your attorneys, you may do so.

A. I have no knowledge.

Q. Do you have any knowledge of any claims that Cigna may have against any pharmacy benefit manager that it has ever contracted with within a time period?

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A. Define claims.

MR. ST. PHILLIP: Yeah. I object insofar as it calls for a legal conclusion, but go ahead.

A. What do you mean by claims?

Q. Bringing an actual litigation.

A. Oh, an action. Not that I'm aware of.

(Discussion off the record.)

(Lunch recess taken at 12:30.)

(Testimony resuming at 3:10.)

(Exhibit Greenebaum 001 marked.)

MR. ST. PHILLIP: While we're here, I'd like to designate the transcript highly confidential under the protective order, and as I understand it, it gives me time to view it within 30 days to undesignate matters that aren't highly confidential, but I would like to make that designation.

MS. SCHOEN: Back on the record.

MR. ST. PHILLIP: It's okay with you?

MS. SCHOEN: Yes. I have no objections to your designating the transcript as highly confidential.

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Q. Mr. Greenebaum, I'm handing you what has been marked as Exhibit Greenebaum 001, Greenebaum Exhibit 1. For the record, the Bates range of this document is Cigna 035 to Cigna 044, and the document is entitled Participating Pharmacy Agreement.

I have just a couple of questions about the document, but feel free to have a look through it.

A. Okay, go ahead.

Q. Can you tell me what this document is?

MR. ST. PHILLIP: I'll just preserve my objection under topic 25 to the authentication and knowledge of documents.

A. This is a Participating Pharmacy Agreement that we use with contracting retail pharmacies.

Q. In your experience, is this contract representative of the contracts that Cigna enters into with pharmacies?

MR. ST. PHILLIP: With permission of counsel, I'd like to have a continuing objection.

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MS. SCHOEN: You may have a continuing objection.
A. In general, it is. However, this – in general, yes, this is what we use.
Q. And I'd just like to direct your attention to the page that's Bates numbered Cigna 039, which is also page 5 of the document.
A. Okay.
Q. At the bottom there's a paragraph No. 5 entitled Access to Books and Records. Do you see that?
A. Uh-hum.
Q. Would you mind – are you familiar with the provisions in this –
A. If I could read it for a minute, please.
Q. Absolutely. Take your time.
A. Yes?
Q. Do you have an understanding of what paragraph 5 provides?
MR. ST. PHILLIP: Objection. Insofar as it calls for contractual interpretation which would be a legal matter, and this witness is not authorized to provide legal guidance.

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To the extent that you can answer, you may do so.
A. From a pharmacy law perspective, these types of documents that they're referring to have to be kept by the pharmacy provider, and that access to those, both from a regulatory perspective and also from an audit perspective on our part, they may need to be available. That's my interpretation.
Q. Does Cigna ever take advantage of the audit rights provided by this type of contractual provision?
A. Yes.
MR. ST. PHILLIP: Objection. Same objection as the previous one.
Q. Can you describe in broad terms what types of audits Cigna may conduct on pharmacies?
A. In broad terms, we will conduct desk audits along with onsite visits. Desk audits would be reviewing the claim records relative to appropriateness based on formulary DAW, and then the onsite audits would be reviewing these records that they would keep onsite and compare those records with what was actually submitted as a claim.

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Q. And how often might Cigna conduct such an audit?
A. Periodically.
Q. And can you – by periodically, would you mean every six months, every two years? Something else?
A. It depends on the desk audits. If the desk audits are reviewing issues will trigger us to do an onsite audit, so it depends on what we find.
Q. How often might you do the desk audit?
A. We look at them on a 90-day cycle when we are reviewing 90 days worth of data and then going through the audit process. So it's – I guess I would call it quarterly but it's ongoing.
Q. I'd also like to direct your attention to the last page of this document which is Exhibit A. If you would take a moment and familiarize yourself with this section if you're not already.
A. Okay.
Q. Would you say that the reimbursement for covered services as described here in Exhibit A is a fair representation of Cigna's contracts generally with

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pharmacists?
MR. ST. PHILLIP: Objection based on subject 25. The witness can answer.
A. In general, this is the format for which we would contract for services.
Q. In your experience, how often is the reimbursements based on the pharmacy's usual and customary charge as provided in the second line item here in Exhibit Greenebaum 001?
A. Are you asking what percentage of the time does that go into effect? I don't know. I don't have the data to provide that in this setting.
MS. SCHOEN: Those are all my questions about that exhibit.
Let's mark this as Exhibit Greenebaum 002.
(Exhibit Greenebaum 002 marked.)
Q. I'm handing you what's been marked as Exhibit Greenebaum 002. I'd like to direct your attention to the last two pages of the document which are the only two pages we'll be looking at today.
A. Okay.
Q. The title of the third page of the document

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is Deposition Subjects.
Have you seen this document before?
MR. ST. PHILLIP: We're only talking about the last two pages?
MS. SCHOEN: Exactly. We are only talking about the last two pages of this document that come under the heading Deposition Subjects, and lists 25 line items.
A. Yes, I've seen this before.
Q. Just directing your attention to line item 3, can you tell me the identities of or job position titles of individuals who have been involved in the decision of selecting the reimbursement methodologies that we've discussed today?
MR. ST. PHILLIP: And for this witness we're excluding the proviso?
MS. SCHOEN: Absolutely. We're just talking about what we discussed today, which would be limited to the pharmacy side of the business.
MR. ST. PHILLIP: Okay.
A. So this is payment methodologies, and this is

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through from '91 to current?
Q. Right, and I understand that you're not going to be able to likely give me all the identities of people --
A. Right.
Q. -- but can we can talk about who are the people who are currently at Cigna who have been involved in this process, that you're aware of?
A. Well, it's my responsibility, in terms of payment methodology currently, and my staff that work for me is -- are the ones that are responsible for.
Q. And what broad group would that fall under, the Cigna Pharmacy group?
A. Yes, that would fall under the Cigna Pharmacy group.
Q. And from 1991 to the present, would the individuals in the Cigna Pharmacy group be the individuals who would have been involved in selecting the reimbursement methodologies that we've discussed today?
A. Yes. In one form or another, yes.
Q. I believe you testified earlier that you were

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not aware of rebates that drug manufacturers may provide to pharmacies, is that correct?
A. Correct.
Q. Are you aware of any other type of discount that drug manufacturers may provide to pharmacies?
A. No.
Q. For example, a discount based on direct purchasing?
A. They may exist for over-the-counter drugs or -- but I don't know what the arrangements are with the manufacturers.
Q. Does Cigna's reimbursement for pharmaceuticals to pharmacies bear any relationship to Medicare's reimbursement rate?
MR. ST. PHILLIP: Objection to form.
MS. SCHOEN: Strike that actually.
I think at this time I have no further questions, but I'd like to take a couple of minutes.
MR. ST. PHILLIP: Take a few minutes and review your notes, and we'll step out for a few minutes, and then, Ed, are you going to

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have a few questions for the witness?
MR. NOTARGIACOMO: Yes. I'm going to have a few minutes' worth of questions.
MR. ST. PHILLIP: Okay, so we'll step out.
MR. NOTARGIACOMO: I don't have very many questions. It shouldn't take more than five or ten minutes.
MR. ST. PHILLIP: Okay.

CROSS EXAMINATION
BY MR. NOTARGIACOMO:
Q. Mr. Greenebaum, my name is Ed Notargiacomo, as I said at the beginning of the deposition -- I think I may have said. I represent the Plaintiff in this action, and I have just a few follow-up questions following your testimony earlier today.
I believe you testified earlier about -- and just to preface, I'm having some problems with my phone, so if you can't hear me, let me know, and I'll repeat the question.
A. Okay.

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Q. You testified earlier about how you were asked how each negotiation with pharmacies are unique as far as they vary by location or by pharmacy group.
Do you remember those questions?
A. Yes, I do.
Q. And you said that there was variation based on negotiation; do you remember that?
A. Yes.
Q. Now, those variations, however, eventually manifest themselves as a price that is expressed as a percentage discount off of AWP, is that correct?
A. AWP or MAC with the dispensing fee.
Q. So AWP in the context of a name brand drug, correct?
A. Correct.
Q. And MAC for those drugs that are on Cigna's MAC list?
A. Correct.
Q. Can you tell me, with respect to the claims data that Cigna collects with respect to its transactions, do you know whether the claims data captures information about whether the payment to

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pharmacies was based on AWP or MAC or U & C -- usual and customary?
A. Yes, we do track that data within our databases.
Q. So for any particular transaction, if I wanted to know what the basis of payment was, Cigna's claims data could tell me the answer to that question, is that right?
A. That is true, yes.
Q. You testified that when you were asked, you had no expectations about the interrelationship between AWP and the actual acquisition costs of drugs.
Do you remember that question?
A. Yes.
Q. And you testified Cigna did not have any expectation about that relationship.
Do you remember that?
A. That's correct.
Q. By that answer, did you mean that Cigna doesn't focus on the relationship between AWP and the actual acquisition costs when it's figuring out what it's going to pay to pharmacies?

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A. Well, what we pay pharmacies is based on what we do with the rest of the marketplace, which is a percentage off of AWP based on the criteria that we discussed earlier.
Q. If I were to tell you that a manufacturer set its price -- this is just a theoretical number -- at a thousand percent over the actual cost of the particular drug, is that something that you would find relevant in -- is that something you would take into account in negotiating prices that you paid to pharmacists?
MS. SCHOEN: Objection to form.
A. When you say a thousand percent, over what?
Q. Over the actual cost -- let's say the actual average cost of the drug.
A. Over WAC are you saying?
MS. SCHOEN: Objection to form.
Q. I'm talking not necessarily a benchmark WAC, but actual invoice prices?
A. I don't know -- with the retail pharmacies, I won't know what they're acquiring it for. We would be concerned from drugs that we would purchase if the AWP was significantly out of the normal range from what we

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would acquire it for.
Q. Well, for that answer is it reasonable to say that as far as your understanding of the industry, that AWP does bear some relationship to the actual costs that are paid for drugs in the marketplace?
A. I'm not -- I guess I'm not clear on what you're trying to ask.
Could you restate that, please?
Q. Sure.
If I were to tell you that -- if you were to come to some understanding that average wholesale prices in general were inflated by 10 percent, is that something that you would find relevant in your negotiations with retail pharmacies?
MS. SCHOEN: Objection to form.
A. Would I be concerned if it was inflated? Is that what you're asking me?
Q. Basically, yes.
A. Yes, I'd be concerned.
Q. In your experience, if AWPs were priced -- again just theoretically -- 10 percent higher than they are today across the board for all drugs, do you expect